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DATE: April 10, 2006

TO: Examiner FRANKLIN,   **FAX NO.:**   571-273-8300
Jamara Alzaida
USPTO GPAU 2876

FROM: Jeffrey G. Toler
Reg. No.: 38,342

RE U.S. App. No.: 10/797,919, filed March 10, 2004

Applicant(s): Jeffrey Lewis Brandt et al.

Atty Dkt No.: 1033-LB1049

Title: MULTIPLE OPTIONS TO DECLINE AUTHORIZATION OF
PAYMENT CARD CHARGES

NO. OF PAGES (including Cover Sheet): 28

MESSAGE:

Attached please find:

☒ Transmittal Form (1 pg)
☒ Fee Transmittal Form (in duplicate) (2 pgs)
☒ Brief in Support of Appeal (24 pgs)

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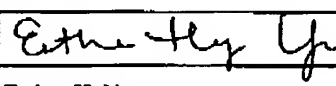
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TRANSMITTAL FORM

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Application Number	10/797,919
Filing Date	March 10, 2004
First Named Inventor	Jeffrey Lewis Brandt
Art Unit	2876
Examiner Name	FRANKLIN, Jamara Alzaida
Attorney Docket Number	1033-LB1049

Total Number of Pages in This Submission **28**

ENCLOSURES *(Check all that apply)*

- [✓] Fee Transmittal Form
  - [ ] Fee Attached
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  - [ ] Affidavits/declaration(s)
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- [ ] Certified Copy of Priority Document(s)
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	Complete If Known	
Effective on 12/08/2004. Fees pursuant to the Consolidated Appropriations Act, 2005 (H.R. 4818). **FEE TRANSMITTAL For FY 2005**	Application Number	10/797,919
	Filing Date	March 10, 2004
	First Named Inventor	Jeffrey Lewis Brandt
☐ Applicant claims small entity status. See 37 CFR 1.27	Examiner Name	FRANKLIN, Jamara Alzaida
	Art Unit	2876
TOTAL AMOUNT OF PAYMENT ($) 500.00	Attorney Docket No.	1033-LB1049

METHOD OF PAYMENT (check all that apply)

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FEE CALCULATION

1. BASIC FILING, SEARCH, AND EXAMINATION FEES

	FILING FEES		SEARCH FEES		EXAMINATION FEES		
Application Type	Fee ($)	Small Entity Fee ($)	Fee ($)	Small Entity Fee ($)	Fee ($)	Small Entity Fee ($)	**Fees Paid ($)**
Utility	300	150	500	250	200	100	
Design	200	100	100	50	130	65	
Plant	200	100	300	150	160	80	
Reissue	300	150	500	250	600	300	
Provisional	200	100	0	0	0	0	

2. EXCESS CLAIM FEES

Fee Description	Fee ($)	Small Entity Fee ($)
Each claim over 20 (including Reissues)	50	25
Each independent claim over 3 (including Reissues)	200	100
Multiple dependent claims	360	180

Total Claims	Extra Claims	Fee ($)	Fee Paid ($)
_____ - 20 or HP =	_____ x _____	= _____	

HP = highest number of total claims paid for, if greater than 20.

Indep. Claims	Extra Claims	Fee ($)	Fee Paid ($)
_____ - 3 or HP =	_____ x _____	= _____	

HP = highest number of independent claims paid for, if greater than 3.

Multiple Dependent Claims	
Fee ($)	Fee Paid ($)

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper (excluding electronically filed sequence or computer listings under 37 CFR 1.52(e)), the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets	Extra Sheets	Number of each additional 50 or fraction thereof	Fee ($)	Fee Paid ($)
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4. OTHER FEE(S)

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Non-English Specification, $130 fee (no small entity discount)	
Other (e.g., late filing surcharge): _Appeal Brief_____	500.00

SUBMITTED BY

Signature	Registration No. (Attorney/Agent) 38,342	Telephone 512-327-5515
Name (Print/Type) Jeffrey G. Toler		Date 4-10-2006

This collection of information is required by 37 CFR 1.136. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450 DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	**Jeffrey L. Brandt et al.**

Title: **MULTIPLE OPTIONS TO DECLINE AUTHORIZATION OF PAYMENT CARD CHARGES**

App. No.:	**10/797,919**	Filed:	**March 10, 2004**
Examiner:	**FRANKLIN, Jamara Alzaida**	Group Art Unit:	**2876**
Atty. Dkt. No.:	**1033-I.B1049**	Confirmation No.:	**3346**

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BRIEF IN SUPPORT OF APPEAL

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I.   **REAL PARTY IN INTEREST (37 C.F.R. § 41.37(c)(1)(i))**

The Real Party in Interest in the present Appeal is **SBC Knowledge Ventures, L.P.**, the assignee, of patent application no. 10/797,919, as evidenced by the assignment set forth at Reel 014870, Frame 0444.

II.   **RELATED APPEALS AND INTERFERENCES (37 C.F.R. § 41.37(c)(1)(ii))**

With respect to other appeals or interferences that will directly affect, or be directly affected by, or have a bearing on the Board's decision in this appeal, Appellant is not aware of any such appeals or interferences.

III.   **STATUS OF CLAIMS (37 C.F.R. § 41.37(c)(1)(iii))**

A.   **Total Number of Claims in Application**

There are 22 claims pending in the application (claims 1-22).

B.   **Status of All the Claims**

Claims 1, 11, and 22 are independent claims. According to paragraphs 2, 5, 6 and 7 of the Final Office Action dated December 1, 2005 ("the Final Office Action"), the Examiner states that Claims 1-22 stand rejected, and are hereby appealed.

C.   **Claims on Appeal**

There are 22 claims on appeal (claims 1-22).

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IV.   STATUS OF AMENDMENTS (37 C.F.R. § 41.37(c)(1)(iv))

The claims hereby Appealed are based on the original claims of the Application filed March 10, 2004. No amendment was offered or entered after the Final Office Action.

V.   SUMMARY OF THE CLAIMED SUBJECT MATTER (37 C.F.R. § 41.37(c)(1)(v))

The subject matter of Claim 1 can be summarized as follows:

A method includes providing a notification message to a payment card holder of an attempted transaction using a payment card. Multiple options for the payment card holder to decline authorization of the attempted transaction are provided.

Claim 1 finds support on at least page 2 paragraph 9; page 4 paragraph 17, page 5, paragraphs 18, 20 and 21, page 6, paragraphs 22 and 23, page 7, paragraphs 26 through 28, and page 8, paragraph 29 of the specification.

The subject matter of Claim 11 can be summarized as follows:

A system includes a payment card transaction notification and authorization system to provide a notification message to a payment card holder of an attempted transaction using a payment card and to provide multiple options for the payment card holder to decline authorization of the attempted transaction.

Claim 11 finds support from at least element 36 of Figure 1 and from at least page 2 paragraph 9; page 3, paragraphs 13 and 14, page 4 paragraphs 16 and 17, page 5, paragraphs 18 through 21, page 6, paragraphs 22 and 23, page 7, paragraphs 26 through 28, page 8, paragraphs 29, 32 and 33 of the specification.

The subject matter of Claim 22 can be summarized as follows:

A method includes providing a notification message to a payment card holder of an attempted transaction using a payment card, the notification message indicating a

transaction amount, a merchant name, and at least part of a number of the payment card. An option is provided for the payment card holder to authorize the transaction. Multiple options are provided for the payment card holder to decline authorization of the attempted transaction, where the multiple options include a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. A selection of one of the options made by the payment card holder is received. If the selection is of the first option, a message is provided to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction. If the selection is of the second option, an account associated with the payment card is locked and a message is provided to the merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from the individual attempting the transaction.

Claim 22 finds support from at least Figure 2 and at least page 2 paragraph 9; page 3, paragraphs 13 and 14, page 4 paragraphs 16 and 17, page 5, paragraphs 18 through 21, page 6, paragraphs 22 and 23, page 7, paragraphs 26 through 28, page 8, paragraphs 29, 32 and 33 of the specification.

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VI.   GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL (37 C.F.R. § 41.37(c)(1)(vi))

A.   <u>Claims 1, 9-11, and 19-21</u> are rejected under 35 U.S.C. 102 (b) as being anticipated over U.S. Patent No. 6,047,270 ("Joao").

B.   <u>Claims 2-6, 12-16, and 22</u> are rejected under 35 U.S.C. 103(a) as being unpatentable over Joao in view of U.S. Patent No. 5,999,596 ("Walker").

C.   <u>Claims 7 and 17</u> are rejected under 35 U.S.C. 103(a) as being unpatentable over Joao in view of Walker and further in view of U.S. Patent No. 6, 422, 462 ("Cohen").

D.   <u>Claims 8 and 18</u> are rejected under 35 U.S.C. 103(a) as being unpatentable over Joao in view of U.S. Patent No. 5,878,403 ("DeFrancesco").

VII.   ARGUMENT (37 C.F.R. § 41.37(c)(1)(vii))

Appellant respectfully appeals each of the rejections applied against all claims now pending on appeal.

A.   CLAIMS 1, 9-11 AND 19-21 ARE ALLOWABLE OVER JOAO

Appellant traverses the rejection of claims 1, 9-11, and 19-21 under 35 U.S.C. §102(b) over U.S. Patent No. 6,047,270 ("Joao"), at page 2, paragraph 2 of the Final Office Action mailed on December 1, 2005 ("the Final Office Action"), at page 2, paragraph 2 of the Office Action mailed on August 24, 2005, and at page 2, paragraph 2 of the Office Action mailed on May 20, 2005.

Independent Claims 1 and 11 are allowable over U.S. Patent No. 6,047,270 ("Joao"). None of the cited references, including Joao, disclose or suggest a method including providing multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by independent claim 1. Moreover, none of the cited references, including Joao, disclose or suggest a system including a payment card transaction notification and authorization system to provide multiple options for a

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payment card holder to decline authorization of an attempted transaction, as recited by claim 11.

Claim 1, from which claims 9 and 10 depend, recites providing *multiple options* for a payment card holder *to decline authorization* of an attempted transaction (emphasis added). Claim 11, from which claims 19-21 depend, recites providing *multiple options* for a payment card holder *to decline authorization* of an attempted transaction (emphasis added). The Office Action asserts that the passages of Joao at col. 20, lines 48-67 and at Col. 21, lines 21-30 disclose these features. *See Final Office Action*, p. 2, paragraph 2. For ease of reference, the cited passages of Joao are reproduced in their entirety below:

> The apparatus 1 will then, at step 39, wait for the cardholder to respond to the transmission. During this time, the cardholder may either utilize the reply or two-way pager feature on the communication device 4 in order to either approve or authorize the transaction or disapprove of or void the transaction. At step 39, the central processing computer 3 will also receive the response if one is sent. At step 40, the apparatus 1 will determine if the cardholder has made a reply or response within the pre-defined time limit which is chosen, in the preferred embodiment, to be one (1) minute. The cardholder may also transmit a signal via an appropriate key or button suspending use of the card such as when he or she may first be apprised of the fact that the card has been lost or stolen. In instances when the communication device 4 does not have a reply or two-way pager feature, the cardholder may simply telephone the central processing office or a processing center for the card in order to personally appraise the center or office of his or her response to the central processing computer transmission regarding the transaction.

Joao, col. 20, lines 48-67.

Thus, the card holder either authorizes or declines the transaction. Separately, the card holder may also transmit a signal to suspend the use of the card. *See Joao*, col. 20, lines 58-61.

> If, at step 40, the response or reply is determined to be timely, the central processing computer 3 will, at step 45, process and identify the cardholder response. At step 46, the central processing computer 3 will determine if the cardholder has replied or responded so as to authorize the transaction. If the

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cardholder's response is to cancel, disapprove or (sic), or not to authorize, (sic) the transaction, the central processing computer 3 will, at step 47, increment an unauthorized transaction count by 1.

Joao, col. 21, lines 21-30.

As discussed in the Response filed on July 20, 2005, in the Response filed on October 11, 2005, and in the Brief in Support of the Pre-Appeal Request for Review filed on February 10, 2005, Applicants noted that Joao discloses providing only a *single* option "to disapprove of or void" or "to cancel, disapprove of, or not to authorize" a transaction by "utilizing the reply or two-way pager feature on the communication device." Each of the words ("disapprove," "void," "cancel," and "not to authorize") used in Joao describe a single option to refuse authorization for a transaction. Joao fails to disclose or suggest that these words describe anything other than alternative terms for the same option. Joao fails to disclose or suggest different outcomes based on selection of multiple options to refuse authorization. Thus, Joao fails to disclose or suggest more than one option to decline the transaction. The Final Office Action stated:

> Joao does disclose the aforementioned limitation since the act of providing multiple options to decline is given to the card holder in the following manner: the card holder has the mental and physical ability of choose [sic] to decline authorization on the basis of any number of events, including the suspicion of card theft, realization of insufficient funds, etc. Therefore, the card holder *is* provided with multiple options to decline authorization and the 35 U.S.C. 102(b) rejection remains.

Final Office Action, pp. 6-7 (emphasis in original).

The Final Office Action confuses a user's reason for declining authorization with the options for declining authorization. The "suspicion of card theft" and the "realization of insufficient funds" are motivations, reasons or *bases*, for a card holder to decide to decline a transaction. While the card holder may be motivated to decline a transaction for a variety of reasons, the "mental and physical ability" of the card holder to choose to decline authorization does not provide multiple options from which to choose. In the system of Joao, the card holder can either accept or decline, and there are no other options provided in regard to the transaction. Although the Final Office Action is correct

in that a particular card holder, using the system described by Joao, may have more than one reason or motivation for declining a transaction, once the card holder of Joao decides to decline the transaction, the card holder has only <u>one option to decline the transaction</u>.

This aspect of Joao is further illustrated in the cited paragraph of col. 20, lines 48-67 at lines 58-62, where in addition to disapproving of the transaction, Joao states:

> <u>The cardholder may also transmit a signal via an appropriate key or button suspending use of the card such as when he or she may first be apprised of the fact that the card has been lost or stolen.</u> In instances when the communication device 4 does not have a reply or two-way pager feature, the cardholder may simply telephone the central processing office or a processing center for the card in order to personally appraise the center or office of his or her response to the central processing computer transmission regarding the transaction.

Joao, col. 20, lines 58-67 (emphasis added)

Thus, Joao anticipates that the notification of the user's basis for a particular disapproval of authorization would be separately communicated to the processing office or processing center. If Joao provided multiple options to decline a transaction, such a separate reporting process would not be required.

Accordingly, Joao fails to disclose or suggest the features of providing *multiple options* to decline authorization of an attempted transaction, as recited by claims 1 and 11. Thus, Joao fails to disclose or suggest at least one element of each of the independent claims 1 and 11. Therefore, Joao fails to disclose or suggest at least one element of each of the dependent claims 9, 10, and 19-21, at least by virtue of their dependency from one of the independent claims 1 or 11.

Moreover, dependent claim 21, for example, recites additional features not disclosed by Joao. Claim 21 recites wherein the payment card transaction notification and authorization system is further to increase a purchase limit threshold for the payment card based on a short messaging service (SMS) message received from the payment card holder. The Final Office Action asserts that the passage of Joao at col. 13, lines 23-31 discloses this feature. Specifically, the Final Office Action asserts that "by virtue of the

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definition of wireless communication, a short message is received from the card holder to increase account credit limits." It is noted that claim 21 recites a "short messaging service (SMS) message," not a "short message" as discussed by the Office Action. One of ordinary skill in the art will recognize that "SMS" is a term of art that identifies a particular messaging format and process, rather than merely any type of message that is short. As Joao fails to mention SMS messages in any manner, much less that an increase in a purchase limit threshold for a payment card is based on an SMS message as provided by claim 21, it is respectfully submitted that Joao fails to disclose this additional feature of claim 21.

In view of the foregoing, it is respectfully submitted that Joao fails to disclose or suggest at least one element of each of the claims 1, 9-11 and 19-21. Therefore, the rejection of claims 1, 9-11, and 19-21 over Joao is improper and should be withdrawn.

B.   CLAIMS 2-6, 12-16, AND 22 ARE ALLOWABLE OVER JOAO IN VIEW OF WALKER

Appellant traverses the rejection of claims 2-6, 12-16, and 22 under 35 U.S.C. §103(a) over Joao in view of U.S. Patent No. 5,999,596 ("Walker"), at page 4, paragraph 4, of the Final Office Action, at page 4, paragraph 5 of the Office Action mailed on August 24, 2005, and at page 4, paragraph 5 of the Office Action mailed on May 20, 2005.

Independent Claims 1 and 11, from which claims 2-6 and 12-16 depend, are allowable over the asserted combination of Joao and Walker. None of the cited references, including Joao and Walker, disclose or suggest a method including providing multiple options for the payment card holder to decline authorization of the attempted transaction, as recited by independent claim 1. Moreover, none of the cited references, including Joao and Walker, disclose or suggest a system including a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by claim 11.

Independent claim 22 is also allowable over the asserted combination of Joao and Walker. None of the cited references, including Joao and Walker, disclose or suggest providing multiple options for the payment card holder to decline authorization of the attempted transaction, the multiple options including a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction.

Claim 1, from which claims 2-6 depend, recites providing multiple options for a payment card holder to decline authorization of an attempted transaction. Claim 11, from which claims 12-16 depend, recites a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction. As discussed above, Joao does not disclose these claimed features. The Office Action does not assert that Walker discloses or suggests providing multiple options to decline authorization of an attempted transaction, nor does Walker in fact disclose or suggest these features, as discussed in the Response dated October 11, 2005. The Final Office Action acknowledges that "the examiner relied on the Walker invention only to teach the option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction." *See Final Office Action*, p. 7. Accordingly, the Final Office Action fails to establish a prima facie case that the proposed combination of Joao and Walker discloses or suggests the features recited by claims 2-6, and 12-16, at least by virtue of their dependency from one of claims 1 or 11.

Walker discloses a system that provides three options to the card holder: 1) to authorize a transaction; 2) to decline the transaction; and 3) to speak with a person trying to use the card. *See Walker*, col. 1, lines 3-10. Thus, like Joao, Walker provides only one option to decline the transaction. The asserted combination of Joao and Walker fails to disclose or suggest providing multiple options for the payment card holder to decline authorization of an attempted transaction, as recited by independent claim 1. The asserted combination of Joao and Walker also fails to disclose or suggest a system including a payment card transaction notification and authorization system to provide

multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by independent claim 11. Additionally, the asserted combination of Joao and Walker fails to disclose or suggest providing multiple options for the payment card holder to decline authorization of the attempted transaction, as recited by independent claim 22.

Moreover, the dependent claims recite additional features neither disclosed nor suggested by the combination of Joao and Walker. As an example, claims 2 and 12 recite wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. The Final Office Action acknowledges that "Joao lacks the specific teaching of the first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction," and the Final Office Action therefore relies on Walker at col. 10, lines 45-60 for allegedly disclosing these features. *See Final Office Action*, p. 5, paragraph 5.

The Final Office Action asserts:

> One of ordinary skill in the art would have readily recognized that allowing a card holder the ability to decline a non-fraudulent transaction would have been beneficial for giving the card holder unrestricted control over the flow of finances associated with the card at any given time. Therefore, it would have been obvious at the time the invention was made, to modify the teachings of Joao with the aforementioned teaching of walker to regulate spending.

Final Office Action, p. 5, paragraph 5.

However, the asserted combination of Joao and Walker still only teaches a single option to decline a transaction, notwithstanding a plurality of possible user motivations for choosing that single option. Accordingly, the asserted combination of Joao and Walker fails to disclose or suggest at least one element of each of the independent claims 1, 11 and 22.

Moreover, in regard to dependent claims 2 and 12 and in regard to independent claim 22, the proposed combination of Joao and Walker fails to disclose or suggest providing a first option to decline authorization of an undesirable but non-fraudulent transaction and a second option to decline authorization of a fraudulent transaction.

Additionally, claim 3 recites receiving a selection made by the payment card holder of the first option and, based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction *and to return the payment card to an individual attempting the transaction* (emphasis added). Dependent claim 13 and independent claim 22 recite similar features. The Office Action asserts that the passage of Walker at col. 10, lines 45-60 discloses these features. However, this passage of Walker fails to disclose providing a message to a merchant to decline an attempted transaction and to return the payment card to an individual attempting the transaction, as recited by claims 3, 13 and 22.

Further, claim 6 recites receiving a selection made by the payment card holder of the second option and, based on the selection, *automatically* reporting the fraudulent transaction to a law enforcement authority (emphasis added). Dependent claim 16 and independent claim 22 recite similar features. The Office Action asserts that the passage of Joao at col. 21, lines 39-41 discloses these features. Joao discloses that, in response to disapproval of a transaction, the point-of-sale device operator may confiscate the card and/or alert the authorities. *See Joao*, col. 21, lines 39-41. Alternatively, Joao discloses that the card holder may also transmit a signal via an appropriate key or button suspending use of the card such as when he or she may first be apprised of the fact that the card has been lost or stolen. *See Joao*, col. 20, lines 58-67. One of ordinary skill in the art will recognize that the *decision to contact the authorities* made by a point-of-sale device operator (i.e., a person) or by a card holder does not constitute *automatically reporting* a fraudulent transaction to a law enforcement authority since relying on the human operator requires a conscious decision or volition on the part of the point-of-sale device operator. *See, e.g., The American Heritage Dictionary of the English Language*, 4th Ed., 2000 (defining "automatic" as "2.a. Acting or done *without volition or conscious*

control")(emphasis added).[1] Accordingly, the asserted combination of Joao and Walker fails to disclose at least one element of each of the claims 6, 16 and 22.

In view of the forgoing, it is respectfully submitted that the asserted combination of Joao and Walker fails to disclose or suggest at least one element of each of the dependent claims 2-6, and 12-16, at least by virtue of their dependency from one of the allowable independent claims 1 or 11. Additionally, the asserted combination of Joao and Walker fails to disclose or suggest at least one element of independent claim 22. Therefore, the rejection of claims 2-6, 12-16, and 22 is improper and the withdrawal of this rejection therefore is respectfully requested.

C.   CLAIMS 7 AND 17 ARE ALLOWABLE OVER JOAO AND WALKER IN VIEW OF COHEN

Appellant traverses the rejection of claims 7 and 17 under 35 U.S.C. §103(a) over Joao in view of Walker, and further in view of U.S. Patent No. 6,422,462 ("Cohen"), at page 5, paragraph 6 of the Final Office Action, at page 5, paragraph 6 of the Office Action mailed on August 24, 2005, and at page 5, paragraph 6 of the Office Action mailed on May 20, 2005.

Independent Claims 1 and 11, from which claims 7 and 17 depend, are allowable over the asserted combination of Joao, Walker and Cohen. None of the cited references, including Joao, Walker and Cohen, disclose or suggest a method including providing multiple options for the payment card holder to decline authorization of the attempted transaction, as recited by independent claim 1. Moreover, none of the cited references, including Joao, Walker, and Cohen, disclose or suggest a system including a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by claim 11. Therefore, the asserted combination of Joao, Walker and Cohen fails to disclose or suggest at least one element of each of the dependent claims 7 and 17, at least by virtue of their dependency from one of the independent claims 1 and 11.

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[1] This definition of the term "automatic" is provided merely for illustrative purposes and is not intended to define or affect the scope of the term "automatic" as it is used in the claims.

Moreover, the asserted combination of Joao, Walker and Cohen fails to disclose or suggest a method including receiving a selection made by the payment card holder of the second option and, based on the selection, automatically reporting the fraudulent transaction to a credit reporting agency. Additionally, the asserted combination of Joao, Walker and Cohen fails to disclose or suggest wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of the second option, and based on the selection, to automatically report the fraudulent transaction to a credit reporting agency, as recited by claim 17.

Cohen discloses customized credit and debit cards for issuance by a card holder, where the credit and debit cards are limited for use in a transaction at selected vendors only, for use only once, or for use within a particular time period. *See Cohen*, Abstract, Figure 1. Cohen discloses:

> Similarly, by making the temporary disposable numbers (or likewise the customized credit card number) indistinguishable in appearance from regular credit card numbers, a potential thief is unable to tell in advance that a particular number is a disposable number, and already not valid. This may in turn enhance the potential of catching the thief by alerting the credit card company the first time someone attempts to illegally use the pilfered number.

Cohen, col. 3, lines 11-18.

The Final Office Action acknowledges that Walker and Joao fail to disclose reporting the fraudulent transaction to a credit reporting agency. *See Final Office Action*, p. 5, paragraph 6. However, the Final Office Action asserts that this passage of Cohen at col. 3, lines 11-18 discloses the features of claims 7 and 17. However, the teachings of Cohen suggest that usage of a card with a disposable number that is no longer valid may enhance the potential of catching a thief by altering the credit card company the first time someone tries to use the number. *See Cohen*, col. 3, lines 11-18. The credit card company is not a credit reporting agency. Moreover, the cited passage of Cohen fails to disclose that a fraudulent transaction is *automatically* reported to a *credit reporting agency*. Accordingly, it is respectfully submitted that the proposed combination of Joao,

Walker and Cohen fails to disclose or suggest at least one element of each of the dependent claims 7 and 17.

Moreover, it is unclear why a worker skilled in the art would be motivated to combine the transaction notification system of Joao and Walker with a disposable number card of Cohen. The cited references provide no suggestion to make the asserted combination. Accordingly, the asserted combination constitutes an improper hindsight reconstruction based on the present application.

Therefore, the asserted combination of Joao, Walker and Cohen fails to disclose or suggest at least one element of each of the dependent claims 7 and 17, at least by virtue of their dependency from allowable independent claims 1 and 11. Moreover, claims 7 and 17 are independently allowable over the asserted combination. Therefore, the rejection of claim 7 and 17 is improper and should be withdrawn.

D. CLAIMS 8 AND 18 ARE ALLOWABLE OVER JOAO IN VIEW OF DEFRANCESCO

Appellant traverses the rejection of claims 8 and 18 under 35 U.S.C. §103(a) over Joao in view of U.S. Patent No. 5,878,403 ("DeFrancesco"), at page 6, paragraph 7 of the Final Office Action and at page 6, paragraph 7 of the Office Action mailed on August 24, 2005.

Independent Claims 1 and 11, from which claims 8 and 18 depend, are allowable over the asserted combination of Joao and DeFrancesco. None of the cited references, including Joao and DeFrancesco, disclose or suggest a method including providing multiple options for the payment card holder to decline authorization of the attempted transaction, as recited by independent claim 1. Moreover, none of the cited references, including Joao and DeFrancesco, disclose or suggest a system including a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by claim 11.

DeFrancesco discloses a credit application and routing system for receiving credit applications, for retrieving information from a credit reporting agency related to the credit applications, for providing the credit application to at least one funding source, for receiving a credit decision from the funding source, and to forward the credit decision to the input device. *See DeFrancesco*, Abstract. However, DeFrancesco is directed to the decisions related to issuance of credit, and not to individual transactions with an already authorized card, such as that used in the system of Joao. Accordingly, there exists no motivation to make the asserted combination.

The Final Office Action acknowledges, at page 6, paragraph 7, that Joao fails to disclose sending a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined, as recited by claims 8 and 18. Moreover, as previously discussed, Joao fails to disclose or suggest at least one element of each of the independent claims 1 and 11, from which claims 8 and 18 depend.

The Final Office Action asserts that DeFrancesco teaches a reason code to indicate why an attempted transaction has been declined, citing *DeFrancesco* at col. 23, lines 48-50. *See Final Office Action*, p. 6, paragraph 7. The Final Office Action states:

> One of ordinary skill in the art would have readily recognized that providing the Joao invention with a reason code to indicate why the attempted transaction has been declined would have been beneficial for possibly correcting the event that resulted in the declined attempted transaction. Therefore, it would have been obvious, at the time the invention was made, to modify the teachings of Joao with the aforementioned teaching of DeFrancesco.

Final Office Action, p. 6, paragraph 7.

At the cited paragraphs, DeFrancesco states:

> At block 152, the dealer reviews a display of the status of the credit application, e.g. granted, granted with conditions, or declined and the reasons why declined.

See DeFrancesco, col. 23, lines 48-50. However, the reason code is provided in DeFrancesco relating to a reason for declining a credit application not a purchase

transaction. While the credit application may be related to a purchase, such as a credit application for the purchase of a car, the credit application is ancillary to the transaction. Therefore, the asserted combination of Joao and DeFrancesco fails to disclose or suggest sending a reason code to a merchant involved in an attempted transaction to indicate why the attempted transaction has been declined, as recited by claims 8 and 18

Additionally, claims 8 and 18 depend from claims 1 and 11, respectively. As discussed above, Joao fails to disclose each and every feature recited by claims 1 and 11 and the Office Action does not assert that DeFrancesco overcomes any of the deficiencies of Joao as applied to claims 1 and 11. DeFrancesco fails to disclose or suggest a method including providing multiple options for the payment card holder to decline authorization of the attempted transaction, as recited by independent claim 1. Moreover, none of the cited references, including Joao and DeFrancesco, disclose or suggest a system including a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction, as recited by claim 11. Accordingly, the asserted combination of Joao and DeFrancesco fails to disclose or suggest at least one element of each of the independent claims, and of dependent claims 8 and 18, at least by virtue of their dependency.

In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 8 and 18 is improper and the withdrawal of this rejection therefore is respectfully requested.

For at least the foregoing reasons, Appellant respectfully submits that the present application is in condition for allowance. In view of the arguments presented above, Appellant respectfully requests reconsideration and allowance of the application.

VIII. CLAIMS APPENDIX (37 C.F.R. § 41.37(c)(1)(viii))

The text of each claim involved in the appeal is as follows:

1. (Original) A method comprising:

providing a notification message to a payment card holder of an attempted transaction using a payment card; and

providing multiple options for the payment card holder to decline authorization of the attempted transaction.

2. (Original) The method of claim 1 wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction.

3. (Original) The method of claim 2 further comprising:

receiving a selection made by the payment card holder of the first option; and

based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction.

4. (Original) The method of claim 2 further comprising:

receiving a selection made by the payment card holder of the second option; and

based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from an individual attempting the transaction.

5. (Original) The method of claim 2 further comprising:

receiving a selection made by the payment card holder of the second option; and

based on the selection, locking an account associated with the payment card.

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6. (Original) The method of claim 2 further comprising:

receiving a selection made by the payment card holder of the second option; and

based on the selection, automatically reporting the fraudulent transaction to a law
enforcement authority.

7. (Original) The method of claim 2 further comprising:

receiving a selection made by the payment card holder of the second option; and

based on the selection, automatically reporting the fraudulent transaction to a credit
reporting agency.

8. (Original) The method of claim 1 further comprising:

receiving a selection made by the payment card holder of one of the multiple options to
decline the attempted transaction; and

sending a reason code to a merchant involved in the attempted transaction to indicate why
the attempted transaction has been declined.

9. (Original) The method of claim 1 further comprising:

providing an option for the payment card holder to authorize the transaction.

10. (Original) The method of claim 1 wherein the notification message indicates
a transaction amount, a merchant name, and at least part of a number of the payment
card.

11. (Original) A system comprising:

a payment card transaction notification and authorization system to provide a notification
message to a payment card holder of an attempted transaction using a payment
card, and to provide multiple options for the payment card holder to decline
authorization of the attempted transaction.

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12. (Original) The system of claim 11 wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction.

13. (Original) The system of claim 12 wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of the first option, and based on the selection, to provide a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction.

14. (Original) The system of claim 12 wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of the second option, and based on the selection, to provide a message to a merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from an individual attempting the transaction.

15. (Original) The system of claim 12 wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of the second option, and based on the selection, to lock an account associated with the payment card.

16. (Original) The system of claim 12 wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of the second option, and based on the selection, to automatically report the fraudulent transaction to a law enforcement authority.

17. (Original) The system of claim 12 wherein the payment card transaction notification and authorization system is further to receive a selection made by the

payment card holder of the second option, and based on the selection, to automatically report the fraudulent transaction to a credit reporting agency.

18. (Original) The system of claim 11 wherein the payment card transaction notification and authorization system is further to receive a selection made by the payment card holder of one of the multiple options to decline the attempted transaction, and to send a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined.

19. (Original) The system of claim 11 wherein the payment card transaction notification and authorization system is further to provide an option for the payment card holder to authorize the transaction.

20. (Original) The system of claim 11 wherein the notification message indicates a transaction amount, a merchant name, and at least part of a number of the payment card.

21. (Original) The system of claim 11 wherein the payment card transaction notification and authorization system is further to increase a purchase limit threshold for the payment card based on a short message service (SMS) message received from the payment card holder.

22. (Original) A method comprising:

providing a notification message to a payment card holder of an attempted transaction using a payment card, the notification message indicating a transaction amount, a merchant name, and at least part of a number of the payment card;

providing an option for the payment card holder to authorize the transaction;

providing multiple options for the payment card holder to decline authorization of the attempted transaction, the multiple options comprising a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction;

receiving a selection of one of the options made by the payment card holder;

if the selection is of the first option, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction; and

if the selection is of the second option, locking an account associated with the payment card and providing a message to the merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from the individual attempting the transaction.

IX.   EVIDENCE APPENDIX (37 C.F.R. § 41.37(c)(1)(ix))

      (N/A)

X.   RELATED PROCEEDINGS APPENDIX (37 C.F.R. § 41.37(c)(1)(x))
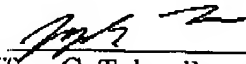
      (N/A)

XI.   CONCLUSION

    For at least the above reasons, all pending claims are allowable and a notice of allowance is courteously solicited. Please direct any questions or comments to the undersigned attorney at the address indicated. Appellant respectfully requests reconsideration and allowance of all claims and that this patent application be passed to issue.

                                     Respectfully submitted,

    4-10-2006

Date

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